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RUIXIN INTERNATIONAL HOLDINGS LIMITED

瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to make a reduced loss for the Reporting Period.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.

This announcement is made by Ruixin International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to report an estimated loss of around HK\$28.5 million for the six months ended 30 June 2017 (the “**Reporting Period**”), as compared with the loss of approximately HK\$43.1 million for the six months ended 30 June 2016 (the “**Corresponding Period**”). The reduction in loss was mainly due to the recognition of tax expenses of approximately HK\$16.6 million in relation to the Hong Kong Inland Revenue Department enquiries of the Hong Kong Profits Tax of a subsidiary of the Company in respect of the years of assessment 2006/07 to 2014/15 (the “**Tax Expenses**”) in the Corresponding Period but not in the Reporting Period. Excluding the Tax Expenses in the Corresponding Period, the estimated loss for the Group in the Reporting Period increased by approximately 7.5% mainly due to, among others, the increase in the operating loss for the electronic products business (as a result of, among others, the increase in the cost of raw materials), the expenses incurred in exploring business opportunities in Vietnam and the increase in imputed interest expenses on convertible notes.

THE FINANCIAL IMPACT FROM MODIFICATION OF TERMS OF CONVERTIBLE NOTES

On 16 January 2017, the ordinary resolution of the special general meeting was duly passed and the extension of the maturity date of the outstanding convertible notes became effective. Immediately following the alteration of terms of convertible notes, as disclosed in the Company’s annual report for the year ended 31 December 2016, the extension of the maturity date resulted in the extinguishment of the financial liability of the convertible notes and related equity component and the recognition of new financial liability and equity components during the Reporting Period. The estimated financial effect of the modification was an increase of approximately HK\$32.9 million in other reserve and a transfer of a net amount of approximately HK\$28.9 million between the convertible notes reserve and accumulated losses with no profit or loss impact during the Reporting Period. As at 30 June 2017, the principal amount of convertible notes remained outstanding was HK\$260.4 million and the maturity date is 31 January 2019.

As the Company is still in the process of finalising the interim results of the Group for the Reporting Period, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the management accounts of the Group and on the information available for the time being, but not on any data or information audited or reviewed by the auditor of the Company. Financial information and other details of the Group will be disclosed in the interim results announcement of the Group for the Reporting Period.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.

By order of the Board
Ruixin International Holdings Limited
Huang Hanshui
Executive Director

Hong Kong, 28 July 2017

As at the date of this announcement, the Board comprises Mr. Wang Zhaofeng (Chairman), Mr. Lam Yat Keung and Mr. Huang Hanshui as executive Directors; and Mr. Ho Chi Fai, Ms. Liu Yanfang and Mr. Zhang Jue as independent non-executive Directors.